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**Proposed Counsel for the  
Official Committee of Unsecured Creditors of  
South Lakes Dairy Farm**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA  
FRESNO DIVISION

In re:

Case No.: 12-17458-B-11

Chapter 11

DCN: RAC-1

## SOUTH LAKES DAIRY FARM,

a California general partnership,

## Debtors-in-Possession.

**APPLICATION FOR AUTHORIZATION  
TO EMPLOY BLAKELEY & BLAKELEY  
LLP AS COUNSEL TO THE OFFICIAL  
COMMITTEE OF UNSECURED  
CREDITORS**

**Hearing Date, Time and Location:**

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Date: October 25, 2012

Time: 9:00 a.m.

Place: Bankruptcy Court, Dept. B  
2500 Tulare Street, 5<sup>th</sup> Floor  
Fresno, CA

Judge: Hon. W. Richard Lee

The Official Committee of Unsecured Creditors (the “Committee”) of South Lakes Dairy Farm, a California general partnership (the “Debtor”), hereby requests authority to employ Blakeley & Blakeley LLP (“B&B”) as Counsel herein, and in support of the application respectfully represents as follows:

1. This application is made pursuant to Bankruptcy Code section 328, Bankruptcy Rules 2014, 2016 and 5002, and the Guidelines of the Office of the United States Trustee (the “OUST”).

## BACKGROUND

1. On August 30, 2012, the Debtor filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

2. On September 18, 2012, the OUST appointed the Committee in the above-referenced case pursuant to section 1102(a)(1) of the Bankruptcy Code.

3. The Committee convened a meeting on September 21, 2012, whereat B&B was selected by the Committee to serve as its counsel. The Committee requests that the Court approve the employment of B&B as counsel to the Committee as of September 21, 2012.

## DISINTERESTEDNESS

4. The Committee has been informed by B&B, after B&B performed a conflicts check, that neither B&B nor the professionals employed by B&B: (a) hold or represent any interest adverse to the Debtor, any creditors, or this Chapter 11 case that would impair B&B's ability to objectively perform professional services for the Committee, in accordance with Section 327 of the Bankruptcy Code; or (b) have any connection with creditors or other parties-in-interest relating to the Debtor or this Chapter 11 case. Further, there are no amounts due to B&B from the Debtor on account of any prepetition services rendered.

5. Pursuant to Local Bankruptcy Rule 2012-1 and Fed. R. Bankr. P. 2014(a), neither B&B nor the professionals employed by B&B have any connections with the Debtor, creditors, or any party-in-interest, their respective attorneys, accountants, or the OUST, or any employee of the OUST.

## **SERVICES TO BE RENDERED**

6. Scott E. Blakeley and Ronald A. Clifford of B&B will be primarily advising and

1 representing the Committee and are experienced in matters of this type, and the Committee believes  
2 they are qualified to represent its interests in this matter. Attached as Exhibit "A" to the Declaration  
3 of Ronald A. Clifford in Support of the Committee's Application to Employ B&B (the "Clifford  
4 Declaration") is a resume of the professionals of B&B.

5       7. The professional services that B&B may render to the Committee include, but are not  
6 limited to:

- 7       a. Assisting the Committee in its investigation of the acts, conduct, assets,  
8           liabilities and financial condition of the Debtor, the operation of the Debtor's  
9           business, including the formulation of a plan of reorganization;
- 10      b. Advising the Committee as to its duties and powers;
- 11      c. Appearing on behalf of the Committee at all meetings required under the  
12       guidelines of the OUST;
- 13      d. Assisting the Committee with respect to the legal ramifications of any  
14       proposed financing or refinancing of real or personal property;
- 15      e. Advising the Committee regarding its rights and duties in connection with  
16       leases and other agreements;
- 17      f. Preparing on behalf of the Committee necessary applications, answers,  
18       orders, reports and other legal papers;
- 19      g. Assisting the Committee in complying with the requirements of the OUST;
- 20      h. Negotiating with holders of unsecured claims and to file objections to such  
21       claims, if necessary;
- 22      i. Assisting the Committee in preparing and presenting to the Court a disclosure  
23       statement and plan of reorganization;
- 24      j. Obtaining, if appropriate and subject to Court approval, confirmation of a  
25       plan of reorganization; and
- 26      k. Performing such other legal services as may be required in the interests of the  
27       creditors. Such services may include, if requested, prosecuting avoidance,  
28       preference and other recovery actions on behalf of the estate.

## **COMPENSATION**

8. The Committee is informed that B&B has not agreed to share any compensation for services rendered or to be rendered in any capacity in connection with this case between B&B and any other entity, except among B&B personnel.

9. B&B's charges for its professional services are based upon the time and labor required, the difficulty of the issues involved the skill requisite to perform the legal service properly, the preclusion of other employment, time limitations imposed by the circumstances and the experience and ability of B&B.

10. The Committee seeks to employ B&B on an hourly basis and B&B has not received a retainer in this matter.

11. B&B will file interim fee applications on a quarterly basis with the Court in conformity with Bankruptcy Code section 330 and understands that allowance of the fees and expenses paid will be subject to the approval of the Court of the interim and final fee applications.

12. At the conclusion of the case, B&B will file an application seeking final allowance of all fees and expenses, regardless of whether interim compensation has been paid to B&B. Upon allowance of such fees and costs, the Debtor will pay B&B the difference between the amounts allowed and any interim compensation paid to B&B.

13. The Committee and B&B understand and agree that the proposed compensation arrangement will be subject to the provisions section 330 of the Bankruptcy Code, which authorizes this Court to allow compensation different from what is provided herein if the fee arrangement provided herein appears, in retrospect, to have been improvident in light of developments unanticipated at the outset of the case. B&B understands and agrees that, if aggregate interim payments made to B&B exceed the amount that is ultimately allowed to B&B, B&B will be required to, and will, promptly repay to the Debtor such difference.

14. The following schedule sets forth the customary hourly rates charged by B&B prevailing as of the date of this Application, which rates may be adjusted annually from time to time:

Professional

## Hourly Rate

1	Scott E. Blakeley	\$495
2	Bradley D. Blakeley	\$395
3	Ronald A. Clifford	\$295
4	Peter M. Sweeney	\$295
5	Other Associates	\$245
6	Law Clerk(s)	\$145
7	Paralegal(s)	\$145

8        15. The professional services that B&B renders on behalf of the Committee shall be  
9 compensated pursuant to section 330 of the Bankruptcy Code.

10        16. B&B is aware of, and will comply with the provisions contained in the Office of the  
11 United States Trustee Guidelines, and as set forth herein, B&B will comply with appropriate Fee  
12 and Employment Guidelines.

## CONCLUSION

14        17. The employment of B&B as counsel for the Committee would be in the best interest of  
15 the estate for several reasons: (a) B&B has considerable knowledge about the estate; and (b) the  
16 Committee believes that the expertise of B&B in bankruptcy, creditors' rights and bankruptcy  
17 litigation matters will enable it to aid the Debtor in quickly reorganizing its business affairs and  
18 negotiate, propose and confirm a plan of liquidation or reorganization.

19       **WHEREFORE**, the Committee prays that this Court authorize the employment of B&B as  
20 its counsel as of September 21, 2012.

21 | Dated: September 21, 2012

By: Lyle W. Ens  
Lyle W. Ens  
Chairperson for the Official Committee of  
Unsecured Creditors of South Lakes Dairy Farm

25 | Dated: September 21, 2012

BLAKELEY & BLAKELEY LLP

27 By: /s/ Ronald A. Clifford

1 Scott E. Blakeley

2 Ronald A. Clifford

3 Proposed Counsel for the Official Committee  
4 of Unsecured Creditors of South Lakes Dairy  
5 Farm

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